

## State of the City – January 21, 2013 – i-wireless Center

The City of Moline remains strong and our future bright!

Unlike the past five years, the 2013 budget began with a deficit of less than one million dollars; the first time since 2007. Sales tax, income tax, hotel/motel tax and other revenue sources improved in 2012 as the economy began to recover. In fact, the City was able to maintain its 2012 property tax levy for 2013 using Best Management Practices and successfully working with all four collective bargaining units to adopt a 0% general wage increase in 2012. Additionally, the final payment on bonds used to assemble property around Bass Street Landing was made in July 2012. This final payment returns an additional \$272, 000 annually to the Community Development Block Grant fund.

The City is not without challenges, however. Police and Fire pensions continue to erode property taxes each year. In fact 64% of property taxes collected are needed to fund police and fire pensions alone in 2013. Only the Parks Department and the Library benefit from the remaining 36% of property taxes collected. In 2013, Moline will contribute \$2.9 million to the police pension fund, over a half million above the statutory requirement of \$2.3 million. A contribution of \$3.3 million will be made to the Fire pension, \$1.1 million above the statutory requirement. Currently funded at 48%, **IF** a \$1 million payment could be made tomorrow to the Police and Fire pension funds, funding would only increase 1%, to 49%. We need state pension reform, and soon!

We were able to work with the Fire Department to consolidate a pumper and a ladder truck with a new “quintuple”, or dual purpose apparatus; saving the fleet budget \$35,000 annually in replacement costs and allowing for the reduction of five firefighters while maintaining our fire-based EMS.

The City continues to be recognized as a top performer both at the State and National level. Awards in 2012 include:

- 1<sup>st</sup> place in the nation for design, layout and content of our new web site.
- For efforts in recycling, energy efficiency and fleet operations, the City was awarded the Governors’ Sustainability award.

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- Moline was also recognized by the White House as a participant in the Partnership for Sustainable Communities, an interagency collaboration that recognized Moline for efficiently meeting economic, environmental and community objectives through federal collaboration.
- Our Parks & Recreation Department received the James Farrell Award of Excellence for hosting the best ASA event in the country at Green Valley and was awarded the girls 16 and under national tournament in 2014.
- The City continued to lead, using best practices to renovate the Washington Square Apartments at 4<sup>th</sup> Avenue and 17<sup>th</sup> Street and was awarded the Lt. Governors' award for Excellence in Historic Downtown Revitalization. A pervious asphalt parking lot accompanied by a rain garden north of Washington Square is also an example of Moline's efforts to be more environmentally friendly.
- Together with Financial District Properties, the KONE Centre was certified as the ONLY Platinum rated core and shell LEED (*Leader in Energy Efficiency and Design*) certified building in the state of Illinois and retained over 250 jobs in Moline.
- Finally, while not directly connected to the City, congratulations to Metro-Link, our mass transit provider in the Illinois Quad Cities, who was awarded "Best in the Nation" as a mass transit provider.

Renewed infrastructure continues as a critical part of the City's sustainability plan. Over the last several years we have increased efforts on capital improvements including Downtown's 5<sup>th</sup> Ave, the Avenue of the Cities, major arterial roadways along with residential street and alley improvements that improve the appearance of the City, stabilize property values and provide quality transportation for commerce and tourism. Capital improvements will increase again in 2014 as the City makes its final \$852,000 bond payment on the i-wireless Center this year.

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### Some major construction planned for 2013 include:

- \$2.6 million in asphalt overlays on six streets including 12<sup>th</sup> Ave, 19<sup>th</sup> to 34<sup>th</sup> Streets; 34<sup>th</sup> Street, 12<sup>th</sup> Avenue to Avenue of the Cities; and Ave of the Cities, 41<sup>st</sup> to 43<sup>rd</sup> Streets.
- The State begins John Deere Road in July, constructing the overpass at 38<sup>th</sup> street and widening John Deere Road from four to six lanes over the next two years.
- \$5.6 million in concrete reconstruction including two alleys and six residential streets, in addition to the final phase of 5<sup>th</sup> Ave downtown from 11<sup>th</sup> to 14<sup>th</sup> streets.
- New salt dome erected behind the South Slope sewage treatment plant to allow for greater salt storage, increase application efficiencies on the south side of the City saving an estimated \$64,000 annually.

To comply with current EPA standards, a separate and substantial project is necessary to address sanitary sewer overflows during storm events. While Moline's storm and sanitary sewers operate independently, infiltration from residential sump pumps, ground leakage from near-by storm sewers and other breeches create overflow events that must be remedied. To address this problem a study has been completed by City staff in conjunction with Strand & Associates that calls for increasing the size and capacity of our North Slope Sewage Treatment Plant by 30%. The cost of this upgrade estimated to be \$37 million will be paid for by issuing a 20 year bond beginning in 2016.

Efforts to expand residential housing south of the Quad City Airport continue. The city is proposing a *phased approach* at the 45 acre Case Creek residential project on Knoxville Road creating smaller parcels in order to reduce the cost of development to prospective home builders.

Helping to maintain our existing housing stock continued during 2012 and will continue in 2013. Through the use of federal Community Development Block Grant funds qualified homeowners received a total of over \$630,000 in various programs helping to strengthen the value of Moline housing stock and assisting

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first time home buyers with down payments toward home ownership. By partnering with the Cities of Rock Island and Sterling, the City of Moline was awarded \$3.7 million of an \$18.5 million grant through the federal Neighborhood Stabilization Program. These funds generate \$2 for every dollar spent in the program. A total of fourteen single family homes were rehabilitated, five new homes constructed and twenty abandoned and unfit homes demolished.

Blighted commercial structures also were removed including the abandoned Henry Engineering building in the 5100 block of River Drive.

A bright spot in Moline housing is in our downtown lofts where there is a 39% growth in market rate apartments. This growth continues to rise due to the City's investment downtown and is expected to reach a 76% increase from 2010 within the next two years.

In part, downtown living can be attributed to the announcement of passenger rail service. Located at 12<sup>th</sup> Street and 4<sup>th</sup> Avenue, the station and surrounding amenities will bring new life to the area and enhance the existing transit facility, hotels and civic center. Service is scheduled for spring 2015.

Western Illinois University opened phase one and begins construction of phase two this spring consisting of five interconnected buildings. Additionally, University Drive, south of the University is nearing completion connecting 25<sup>th</sup> to 34<sup>th</sup> Street, and a developer has been selected for the private development west of the campus. We expect unveiling of new private investment that compliments the campus later this year.

On the southeast corner of 17<sup>th</sup> street and River Drive the former Endeco building was razed and additional parking constructed adjacent to the newly renovated Washington Square Apartments.

Exciting development has happened throughout Moline. A new 200,000 sq ft Menard's opened at 60th Street and John Deere Road. Zimmerman Honda and Green Hyundai car dealerships began operations in Moline. SAM's Club announced a new development next to the new Menards and we welcomed the

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QC Family Fun Center to Moline at 41<sup>st</sup> Street in the former Cohen's building. Redevelopment of the old Menards property at 7<sup>th</sup> street and John Deere Road was announced consisting of four retailers new to the City of Moline and a new strip mall is proposed at Highways 150 & 6.

Genesis Health Systems began construction on the first phase of a forty-six acre development on 41<sup>st</sup> Street with a \$9 million medical arts building that will continue hi-tech job growth in Moline, and discussions are on-going regarding the redevelopment of South Park Mall.

Still more development plans were announced for a new Holiday Inn Express at the entrance to the QC Airport, a 100 room Hyatt Place Hotel downtown at the site of the former John Deere Collectors Center and a 75 room extended stay hotel on the upper floors of the passenger rail station.

It has indeed been a great year for the City of Moline, and 2013 looks to be equally exciting!

In three short months, I will step down after 8 years as your Mayor. It has been my privilege & honor to serve you. We have accomplished a lot together and moved our City forward in some pretty tough economic times. But we have done it together. As I have mentioned before, it is the public / private partnerships and the sense of community that keep us strong. It is the PRIDE that residents, City employees and elected officials have in Moline that has made us a prominent Quad Cities community. With everyone pulling in the same direction, Moline will continue to be a place that businesses and families alike are proud to call home.

Thank you and God bless you all.